



TEXAS DEPARTMENT OF INSURANCE

Division of Workers' Compensation - Medical Fee Dispute Resolution (MS-48)

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MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION

GENERAL INFORMATION

Requestor Name

Injured Workers Pharmacy, L.L.C.

Respondent Name

Dallas Independent School District

MFDR Tracking Number

M4-17-2601-01

Carrier's Austin Representative

Box Number 19

MFDR Date Received

May 2, 2017

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "Invoices have been priced at Texas Fee Schedule, utilizing AWP's derived from Red Book, a nationally recognized pharmaceutical price guide. Invoices however, have not been paid in full by Dallas Independent School District."

Amount in Dispute: \$6,894.66

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "Dallas Independent School District utilizes AWPRX a third party pharmacy benefit management company for their pharmacy bills. Injured Workers Pharmacy has a contract rate with AWPRX as per the enclosed 'Explanation of Reimbursement'."

Dallas independent School District is not responsible for the contracted reimbursement rate between Injured Workers Pharmacy and AWPRX."

Response Submitted by: Argus Services Corporation

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
August 13, 2015 – February 20, 2017	Pharmacy Services	\$6,894.66	\$4,521.62

FINDINGS AND DECISION

This medical fee dispute is decided pursuant to Texas Labor Code §413.031 and applicable rules of the Texas Department of Insurance, Division of Workers' Compensation.

Background

1. 28 Texas Administrative Code §133.307 sets out the procedures for resolving medical fee disputes.
2. 28 Texas Administrative Code §134.503 sets out the fee guidelines for pharmaceutical services.
3. Texas Labor Code §408.0281 provides the requirements for reimbursement of pharmaceutical services.

4. The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
 - 90 – Ingredient cost adjustment
 - 0 – Paid: No adjustment to a claim/line

Issues

1. Did the requestor waive the right to medical fee dispute resolution for dates of service August 13, 2015, through February 19, 2016?
2. Is the insurance carrier's reason for reduction of payment supported?
3. Is Injured Workers Pharmacy entitled to additional reimbursement?

Findings

1. 28 Texas Administrative Code §133.307(c)(1) states:

Timeliness. A requestor shall timely file the request with the division's MFDR Section or waive the right to MFDR. The division shall deem a request to be filed on the date the MFDR Section receives the request. A decision by the MFDR Section that a request was not timely filed is not a dismissal and may be appealed pursuant to subsection (g) of this section.

(A) A request for MFDR that does not involve issues identified in subparagraph (B) of this paragraph shall be filed no later than one year after the date(s) of service in dispute.

The dates of the service in dispute include August 13, 2015, through April 19, 2016. The request for medical fee dispute resolution was received in the Medical Fee Dispute Resolution (MFDR) Section on May 2, 2017. This date is later than one year after these dates of service included in the dispute. Review of the submitted documentation finds that the disputed services do not involve issues identified in §133.307(c)(1)(B). The division concludes that Injured Workers Pharmacy has failed to timely file a dispute for these dates of service with the division's MFDR Section. Consequently, Injured Workers Pharmacy has waived the right to medical fee dispute resolution for these dates.

2. Injured Workers Pharmacy is also seeking reimbursement for pharmaceutical services for dates of service May 3, 2016, through February 20, 2017. The insurance carrier reduced the services in question with claim adjustment reason code 90 – "INGREDIENT COST ADJUSTMENT." In addition, Argus Services Corporation (Argus) argues on behalf of Dallas Independent School District (Dallas ISD) that, "Dallas Independent School District utilizes AWPRX a third party pharmacy benefit management company for their pharmacy bills. Injured Workers Pharmacy has a contract rate with AWPRX."

Texas Labor Code §408.0281 provides for the use of informal or voluntary networks to obtain a contractual fee arrangement between an insurance carrier, the network, and the pharmacy. No evidence was found to support Dallas ISD's assertion of a contractual fee agreement with Injured Workers Pharmacy. Therefore, Dallas ISD's reduction is not supported.

3. For date of service September 27, 2016, Injured Workers Pharmacy is seeking additional reimbursement of \$398.61 for NDC 47335086083. Submitted documentation does not support that this NDC number was submitted to Dallas ISD. Therefore, no reimbursement is recommended for this service.

28 Texas Administrative Code §134.503 applies to the medications considered in this dispute and states, in pertinent part:

(c) The insurance carrier shall reimburse the health care provider or pharmacy processing agent for prescription drugs the lesser of:

(1) the fee established by the following formulas based on the average wholesale price (AWP) as reported by a nationally recognized pharmaceutical price guide or other publication of pharmaceutical pricing data in effect on the day the prescription drug is dispensed:

(A) Generic drugs: $((\text{AWP per unit}) \times (\text{number of units}) \times 1.25) + \4.00 dispensing fee per prescription = reimbursement amount;

(B) Brand name drugs: $((\text{AWP per unit}) \times (\text{number of units}) \times 1.09) + \4.00 dispensing fee per prescription = reimbursement amount;

- (C) When compounding, a single compounding fee of \$15 per prescription shall be added to the calculated total for either paragraph (1)(A) or (B) of this subsection; or
- (2) notwithstanding §133.20(e)(1) of this title (relating to Medical Bill Submission by Health Care Provider), the amount billed to the insurance carrier by the:
- (A) health care provider; or
- (B) pharmacy processing agent only if the health care provider has not previously billed the insurance carrier for the prescription drug and the pharmacy processing agent is billing on behalf of the health care provider.

Each medication is listed below with its reimbursement calculation.

Date	Drug Name	NDC & Type	Price/ Unit	Total Units	AWP Formula \$134.503 (c)(1)	Billed Amt \$134.503 (c)(2)	Lesser of (c)(1) and (c)(2)	Paid	Allowed Amt
5/3/16	Hydrocodone/ Acetaminophen	00406012501 Generic	\$0.9564	180	$\$0.9564 \times 180 \times 1.25 + \$4.00 = \$219.19$	\$219.19	\$219.19	\$123.01	\$96.18
5/14/16	Tramadol HCl	47335086083 Generic	\$6.0167	120	$\$6.01667 \times 120 \times 1.25 + \$4.00 = \$906.51$	\$906.51	\$906.51	\$507.90	\$398.61
6/1/16	Hydrocodone/ Acetaminophen	00406012501 Generic	\$0.9564	180	$\$0.9564 \times 180 \times 1.25 + \$4.00 = \$219.19$	\$219.19	\$219.19	\$123.01	\$96.18
6/8/16	Tramadol HCl	47335086083 Generic	\$6.0167	120	$\$6.01667 \times 120 \times 1.25 + \$4.00 = \$906.51$	\$906.51	\$906.51	\$507.90	\$398.61
6/30/16	Hydrocodone/ Acetaminophen	00406012501 Generic	\$0.9564	180	$\$0.9564 \times 180 \times 1.25 + \$4.00 = \$219.19$	\$219.19	\$219.19	\$123.01	\$96.18
7/8/16	Tramadol HCl	47335086083 Generic	\$6.0167	120	$\$6.01667 \times 120 \times 1.25 + \$4.00 = \$906.51$	\$906.51	\$906.51	\$507.90	\$398.61
7/18/16	Oxycodone/ Acetaminophen	47781023001 Generic	\$3.5508	180	$\$3.5508 \times 180 \times 1.25 + \$4.00 = \$802.93$	\$802.93	\$802.93	\$449.90	\$353.03
8/2/16	Tramadol HCl	47335086083 Generic	\$6.0167	120	$\$6.01667 \times 120 \times 1.25 + \$4.00 = \$906.51$	\$906.51	\$906.51	\$507.90	\$398.61
8/15/16	Oxycodone/ Acetaminophen	47781023001 Generic	\$3.5508	180	$\$3.5508 \times 180 \times 1.25 + \$4.00 = \$802.93$	\$802.93	\$802.93	\$449.90	\$353.03
8/26/16	Tramadol HCl	47335086083 Generic	\$6.0167	120	$\$6.01667 \times 120 \times 1.25 + \$4.00 = \$906.51$	\$906.51	\$906.51	\$507.90	\$398.61
9/14/16	Oxycodone/ Acetaminophen	47781023001 Generic	\$3.5508	180	$\$3.5508 \times 180 \times 1.25 + \$4.00 = \$802.93$	\$802.93	\$802.93	\$449.90	\$353.03
10/11/16	Hydrocodone/ Acetaminophen	00406012501 Generic	\$0.9564	180	$\$0.9564 \times 180 \times 1.25 + \$4.00 = \$219.19$	\$219.19	\$219.19	\$123.01	\$96.18
12/7/16	Hydrocodone/ Acetaminophen	00406012501 Generic	\$0.9564	180	$\$0.9564 \times 180 \times 1.25 + \$4.00 = \$219.19$	\$219.19	\$219.19	\$123.01	\$96.18
1/4/17	Hydrocodone/ Acetaminophen	00406012501 Generic	\$0.9564	180	$\$0.9564 \times 180 \times 1.25 + \$4.00 = \$219.19$	\$219.19	\$219.19	\$123.01	\$96.18
1/4/17	Tramadol HCl	47335086083 Generic	\$6.0167	120	$\$6.01667 \times 120 \times 1.25 + \$4.00 = \$906.51$	\$906.51	\$906.51	\$507.90	\$398.61

2/20/17	Hydrocodone/ Acetaminophen	00406012501 Generic	\$0.9564	180	$\$0.9564 \times 180 \times 1.25 + \$4.00 =$ \$219.19	\$219.19	\$219.19	\$123.01	\$96.18
2/20/17	Tramadol HCl	47335086083 Generic	\$6.0167	120	$\$6.01667 \times 120 \times 1.25 + \$4.00 =$ \$906.51	\$906.51	\$906.51	\$507.90	\$398.61
								Total	\$4,522.62

The total allowable amount is \$4,522.62. For the services considered in this dispute, Injured Workers Pharmacy is seeking \$4521.62. This amount is recommended.

Conclusion

For the reasons stated above, the Division finds that the requestor has established that additional reimbursement is due. As a result, the amount ordered is \$4,521.62.

ORDER

Based on the submitted information, pursuant to Texas Labor Code Section 413.031 and 413.019 (if applicable), the division has determined the requestor is entitled to additional reimbursement for the disputed services. The division hereby ORDERS the respondent to remit to the requestor \$4,521.62, plus applicable accrued interest per 28 Texas Administrative Code §134.130, due within 30 days of receipt of this order.

Authorized Signature

	Laurie Garnes	July 13, 2017
Signature	Medical Fee Dispute Resolution Officer	Date

YOUR RIGHT TO APPEAL

Either party to this medical fee dispute has a right to seek review of this decision in accordance with Rule §133.307, effective May 31, 2012, *37 Texas Register 3833*, **applicable to disputes filed on or after June 1, 2012.**

A party seeking review must submit a **Request to Schedule a Benefit Review Conference to Appeal a Medical Fee Dispute Decision** (form **DWC045M**) in accordance with the instructions on the form. The request must be received by the division within **twenty** days of your receipt of this decision. The request may be faxed, mailed or personally delivered to the division using the contact information listed on the form or to the field office handling the claim.

The party seeking review of the MFDR decision shall deliver a copy of the request to all other parties involved in the dispute at the same time the request is filed. **Please include a copy of the *Medical Fee Dispute Resolution Findings and Decision*** together with any other required information specified in 28 Texas Administrative Code §141.1(d).

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.